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ARRA and the Role of Colorado Community Health Centers:

Presentation to the Colorado Economic Recovery and Accountability Board

August 20, 2009

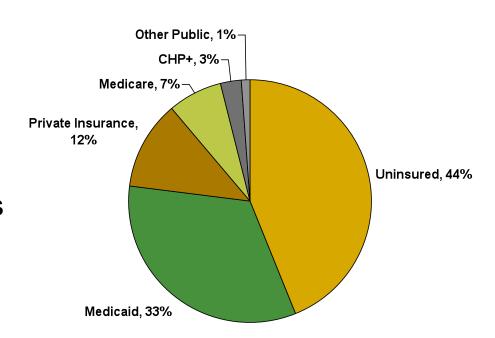
Ross Brooks, Chief Operating Officer, CCHN

CCHN

- CCHN represents Colorado's 15 Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs). CHCs provide a health care home to one in 10 people in the state.
- Mission: To increase access to high quality health care for people in need in Colorado.
- Long Term Goal: Double the number of Coloradans over the next 20 years who are able to have their primary health care needs met because they have access to a CHC. This goal is CCHN's Access for All Colorado plan.

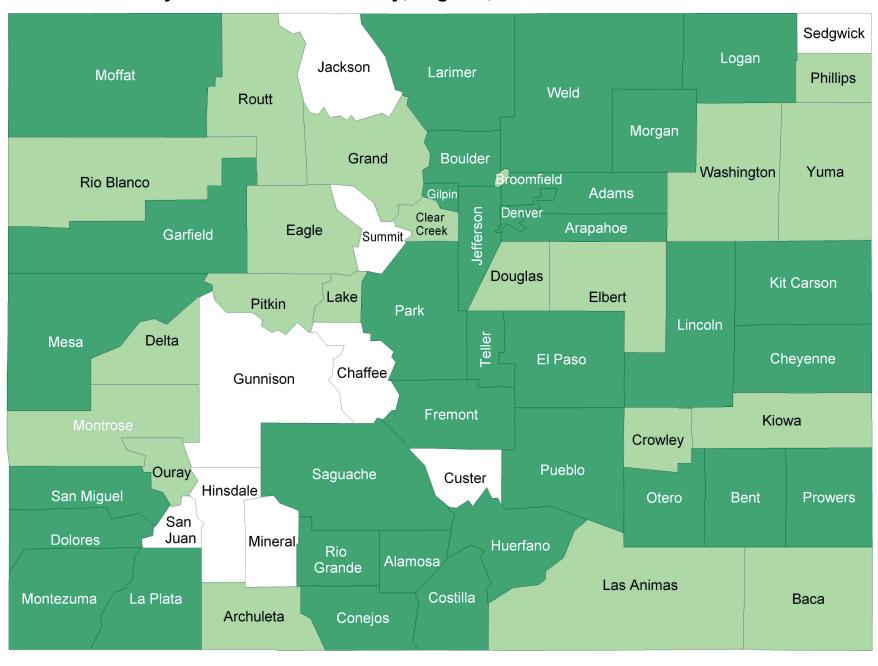
Colorado Community Health Centers

- Nonprofit providers of medical, dental, mental health services
- Comprehensive primary care on a sliding fee scale based on ability to pay
 - Uninsured, Medicaid, CHP+
 - 93% of patients have incomes
 200% FPL (\$42,400 per year
 for a family of four in 2008)
- 15 organizations, 138 clinics
 - 419,000 patients in 2008; 1.7 million annual visits
 - □ 3,000+ employees
 - Clinic sites in 35 counties
- Average annual cost per patient = \$685



Insurance Status of CHC Patients

Counties Served by Colorado's Community, Migrant, School-Based & Homeless Health Centers



Counties where a CHC site is located.

Counties served by a neighboring CHC.

Primary CHC Revenue Streams

- Patient services reimbursement: Medicaid=33% of avg. CHC revenues; Self Pay=7%; Medicare=5%; Private=5%; CHP+=3%.
- Federal grants through the Public Service Act Section 330: 18% of avg. CHC revenues.
- State/Local grants and contracts: 29% of avg. CHC revenues. Includes:
 - Primary Care Fund from Amendment 35 tobacco tax
 - Colorado Indigent Care Program (CICP) from General and Federal Funds
 - Comprehensive Primary & Preventative Care (CPPC) grants program from tobacco settlement
 - CDPHE's Cancer, Cardiovascular & Pulmonary Disease (CCPD) grants program from Amendment 35 tobacco tax

The federal economic stimulus plan, the American Recovery and Reinvestment Act (ARRA), included over \$2 billion nationally over two years for several initiatives related to CHCs:

- Operations
- Infrastructure/Capital
- Health Information Technology
- Primary Care Workforce Development

- Operations: \$500 million nationally to support new CHC sites and service areas, to increase services at existing sites, and provide supplemental payments for spikes in uninsured populations.
 - \$155 million nationally in funds from the ARRA to 126 CHCs nationally that had approved but unfunded New Access Point Grant applications from Fiscal Year 2008. One Colorado CHC, Peak Vista Community Health Centers in Colorado Springs, received a \$1.3 million grant for a mobile Health Center.
 - \$340 million nationally was awarded for Increased Demand in Services (IDS) awards. IDS was designed to respond to the need of CHCs who are hard hit by increased demand. Colorado's 15 CHCs received \$7.5 million in IDS grants.
 - Results from the first quarter (March June): 9,000 new patients, 52% of whom are uninsured, and 43 new or retained staff.

- Infrastructure: \$1.5 billion nationally in funding for CHC construction, renovation, equipment, and acquisition of health information technology.
 - Capital Improvement Program (CIP) Awarded July 1, one-time grants intended to help CHCs address pressing capital improvement needs such as construction, repair, renovation, and equipment purchases, including health information technology systems, as well as create employment opportunities in medically underserved communities. Across the country, each CHC received a base amount of \$250,000 with an additional \$35 for every patient served up to \$2.5 million. Colorado's 15 CHCs received a total of \$16,832,185.

Name of CHC	Headquartered in	CIP grant amount	Purpose
Clinica Family Health Services, Inc.	Lafayette	\$1,448,995	For efficiency renovation, in an environmentally sustainable way, of Pecos Clinic call center, pharmacy, financial screening, and areas used for behavioral and physical health group visits; and for upgrading equipment.
Colorado Coalition for the Homeless	Denver	\$680,255	For purchase of electronic health record, Stout Street Clinic renovation, and renovation of community resources/outreach space at 2111 Champa Street.
Denver Health's Community Health Services	Denver	\$2,500,000	For expansion of Montbello Family Health Center and purchase of equipment.
Dove Creek Community Health Clinic	Dove Creek	\$300,785	For renovation to expand behavioral health services.
High Plains Community Health Center	Lamar	\$544,245	For building an adult health care center specializing in serving the needs of senior citizens, veterans, and adults with chronic diabetes and high blood pressure.
Metro Community Provider Network	Englewood	\$1,650,000	For purchase of health information technology, medical equipment, and dental equipment; and facility upgrade, including purchase of energy reducing solar panels.
Mountain Family Health Centers	Glenwood Springs	\$554,290	For building new facility in Rifle.

Northwest Colorado Community Health Center	Craig	\$298,195	For expanding the number of exam rooms to be able to see more patients.
Peak Vista Community Health Centers	Colorado Springs	\$1,880,000	For purchase of health information technology, replacement of clinical office equipment, and repairing two facilities.
Plains Medical Center, Inc.	Limon	\$546,730	For renovation of the Strasburg Clinic.
Pueblo Community Health Center	Pueblo	\$943,630	For purchase of equipment and furnishings at several Pueblo CHC locations, including a new medical clinic being built at Routt Ave.
Salud Family Health Centers	Ft. Lupton	\$2,500,000	For building a new clinic in Fort Morgan – more than twice the size of current facility.
Sunrise Community Health, Inc.	Greeley	\$1,100,000	For expanding electronic health record system to enable local family medicine residency training program, community behavioral health agencies, and Sunrise's dental services to join this shared database.
Uncompahgre Medical Center	Norwood	\$317,060	For construction of dental and administration areas, including doubling square footage for dental services and space to expand health information technology hardware.
Valley-Wide Health Systems, Inc.	Alamosa	\$1,568,000	For purchase of health information technology equipment to support implementation of an electronic health record for 14 medical clinics, six dental clinics, and related services; and renovation of clinics in two high-poverty service areas.

Infrastructure, continued

- Facility Investment Program (FIP) A nationally competitive grants process allowing for one-time facility improvement to address capital improvement needs. Project must be distinct and separate from CIP projects, and lead to access to health services for underserved populations and create CHC and construction-related jobs.
- Approximately 70% of Colorado CHCs applied for this funding. Award announcements will be made Fall '09.
- The Colorado Health Foundation is helping support these applications.

Health Information Technology: CHCs are waiting for details on these grants, which are intended to provide funding for Medicaid providers for the adoption and use of Electronic Health Records. In order to qualify for these payments, providers must have at least 30% patients defined as "needy individuals" (e.g. not just CHCs).

- Primary Care Workforce Development: \$500 million nationally for primary care workforce development programs.
 - \$300 million of this funding will be for the National Health Service Corps.
 - \$200 million will be for the Title VII Health Professions and Title VII Nurse Training Programs.
 - These funds will help CHCs and other safety net providers recruit and retain physicians, dentists, nurse practitioners, and other providers needed in medically underserved communities. Not yet distributed.

- Funds are temporary they are not a permanent part of the federal budget.
- Any new buildings or expanded facilities will need to be staffed and equipped beyond the two years that the economic stimulus package covers. State budget cuts seriously hamper ongoing operating funding needs and will slow/change CHC ARRA plans.

State Budget Cuts Hamper ARRA efforts:

Spring 2009:

- Primary Care Fund Cut \$6.4M
- Comprehensive Primary & Preventative Care (CPPC) Grants Cut \$2.4M
- Medicaid FFS rate cuts (2%)

Summer 2009:

- Health Care Services Fund (CICP) Cut \$21M
- CHC Medicaid Reimbursement Cut \$3.9M.
- Other cuts to pharmacy, dental, and Medicaid Fee For Service (FFS) reimbursement rates. Cuts to tobacco cessation/prevention and disease prevention and treatment grant funding from Amendment 35, and other grants programs.
- Cuts jeopardize care for more than 45,000 patients.
- \$31M in cuts jeopardize care for more than 45,000 patients.
 - Although impact of the cuts is still being determined, the cuts will slow, stagnate, and in some cases stop planned CHC ARRA projects.
 Several CHCs are considering changing their ARRA projects to not serve any new patients or to only slow staff layoffs.

CHCs report formally via three mechanisms:

- 1. U.S. Department of Health and Human Services (HHS)/ Health Resources Services Administration (HRSA) Electronic Handbooks (EHB). Quarterly reports on jobs created/retained and patients served. First reports submitted in July 2009; all 15 CO CHCs reported.
- 2. HHS/HRSA Uniform Data System (UDS). Annual Reporting annually via UDS on jobs created/retained and ARRA funds spent. First reports will be due March 2010. All 15 CO CHCS will report.
- 3. Recovery.gov quarterly reports on jobs created/retained and ARRA funds spent. First reports due October 10, 2009. All 15 CO CHCs being prepared to report. CCHN providing direct technical assistance on reporting.
- CHCs report informally to: Colorado Economic Recovery and Accountability Board, the Governor, partner organizations and foundations, members of the General Assembly, and the Colorado executive branch (e.g. Department of Health Care Policy and Financing).



Questions?

Contact information

Ross Brooks, Chief Operating Officer (303) 861-5165 x242

ross@cchn.org

Maureen Maxwell, Communications Manager (303) 861-5165 x259

maureen@cchn.org